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## **News Release**

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### **Stewartville man indicted on mail, wire fraud charges**

A 45-year-old Stewartville man was indicted today by a federal grand jury in connection with a scheme to defraud and obtain money and property from an elderly and vulnerable Elkton, Minn. couple.

Joseph William Hughes was charged April 23 in Minneapolis with four counts of mail fraud, four counts of wire fraud, six counts of aggravated identity theft and one count of money laundering. Hughes's indictment alleges that from June 2005 through December 2006, he devised the scheme to defraud the couple by diverting their life savings to his own use.

From May 2004 through December 2006, Hughes was a registered representative of AXA Advisors LLC, a financial services company that sold insurance and investment products, and retirement planning services. In July 2002, Hughes created a separate entity, Golden Generation Life Plans, Inc., which was not affiliated with AXA. Hughes allegedly used this entity to defraud clients who invested funds in AXA investment accounts.

The couple became clients in June 2005 after the husband suffered a stroke that significantly impaired his ability to manage the family's finances. The couple provided more than \$400,000 to Hughes to invest in AXA investment accounts. The indictment alleges that Hughes converted and embezzled that money by diverting it into an account under his control.

The indictment also alleges that Hughes forged more than 30 checks drawn from the couple's AXA investment account, and that he stole and forged checks from the couple's personal checking account. Hughes allegedly spent the embezzled funds on cars, tuition and mortgage payments, country club membership fees, jewelry and to pay off personal debt.

Hughes, the indictment alleges, would conceal his scheme by making false statements in the couple's account records, by forging the couple's signatures on AXA documents and by making false and misleading statements when questioned by the couple, the couple's children, AXA representatives and investigators from the Minnesota Department of Commerce.

If convicted, Hughes faces a potential maximum penalty of 20 years in prison on each mail fraud count, 20 years on each wire fraud count, 10 years on the money laundering count, and a mandatory two years on each identity theft count. All sentences are determined by a federal district court judge.

This case is the result of an investigation by the United States Postal Inspection Service, the Internal Revenue Service-Criminal Investigation Division, and the Minnesota Department of Commerce-Division of Insurance Fraud Prevention. It is being prosecuted by Assistant U.S. Attorney John R. Marti.

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An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by the defendant. The defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.